



CBSS

Cross Border Securities Services

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NEW 0.2% FINANCIAL TRANSACTION TAX APPLIED ON FRENCH BLUE CHIPS (FTT)- UPDATE

Monte Titoli wishes to provide to its clients an information update regarding the upcoming Financial Transaction Tax (FTT).

Introduction

The information reported in this document is related to the operational management of the service provided by Monte Titoli and should be read along with the [previous announcement provided by Monte Titoli on October 8th](#).

The new service provided by Monte Titoli allows clients to comply with the requirements of the French legislation related to the recently introduced “Financial Transaction Tax”.

In particular, the document contains:

- Appointment to be given to Monte Titoli concerning the management of the service
- Deadlines concerning the first payment
- Highlights
- Next release of the new payment deadlines

1. Appointment to be given to Monte Titoli concerning the management of the service

The new service is available to clients which appoint Monte Titoli by sending a form which is available on Monte Titoli's website at the following link:

<http://www.montetitoli.com/area-download/contratti/contratti.en.htm>

2. First payment deadlines

In order to allow an easy processing of the FTT, The French Tax Authorities have planned an approach consisting of two phases:

Interim period: transactions occurred in the period between August 1st - October 31st have to be declared all together at the end of the period (filling in the “Payment Month” field with value “201211”).

The deadline for sending these declarations to Monte Titoli is November 2nd, at the end of the business day.

The payment will be performed on November 5th as described in the previous communication of 3rd September.

Live period: transactions occurred in the following months (starting from November 2012), must be declared on a monthly basis.

Only for this first month after rollout, it is necessary not to send any declarations with December as the “Payment Month” (“201212”) earlier than 6th November. If a declaration with “Payment Month” equal to December is input into X-TRM earlier than 6th November, it will be rejected.

3. Highlights

Monte Titoli recommends intermediaries not to wait until the November deadline before sending FTT Declarations, if possible. In particular you are invited to send your FTT Declarations for transactions settled in August and September no later than Wednesday, 31st October 2012 in order to allow some time for amendments in case of rejections.

Monte Titoli recommends to verify coverage of the due amount in the cash account used to pay the tax on Monday 5th November, in order to allow the smooth running of the payment procedure; the first debiting trial will run at 9:00 a.m..

Monte Titoli recommends to read FTT User Manual available in the documentation section of MT-X.

4. Next release of the new payment deadlines

Following Monte Titoli’s announcement (18th October) about Outcome of the Customer survey on Payment Procedure, testing of the new procedure will start from 10th November. We briefly summarize the main features of the new solution in the following paragraphs:

On Time declarations

For all declarations in a “Validated” status at 11:00 am of the fourth calendar day of the payment month (in case this is not a business according to the Target calendar, the following business day is considered):

- Tax amount is debited directly on the participant’s Target 2 account

- Debiting trials: at 12:00 (noon) and 2:30 pm of the same day (Debiting outcomes notified via RNI 097 and MT-X)
- Monte Titoli sends the “Payment Advice” to EF
- Once a positive acknowledgement on Payment Advice is received, MT performs the tax payment (via message MT202).

Late declarations

- Late declarations: did not get a “Validated” status by the deadline set for On Time declarations
- MT will be able to receive Late declarations every day (“reception day”)
- For all declarations in a “Validated” status by 11:00 am on reception day, MT will manage payment on the same day, according to the same process as described above
- For all declarations which are validated later than 11:00 am on reception day, MT will manage payment on the following day

The new solution will be released to production during the month of December 2012 (exact date TBC), with the aim to have it available for the first payment of 2013.

5. Further information

Monte Titoli publishes the relevant documentation released by Euroclear France and by “Delegation de la Legislation Fiscale” in the Cross Border section on its website.

<http://www.montetitoli.com/cross-border/mercatafinanziari/francia/francia.en.htm>

FOR FURTHER INFORMATION

Client Support

Tel: +39.02.33635.640

E-mail: client@montetitoli.it

Monte Titoli S.p.A

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